

110TH CONGRESS
2D SESSION

H. R. 6719

To amend the Internal Revenue Code of 1986 to allow hardship distributions from 401(k) plans to prevent the insolvency of a trade or business of the employee.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2008

Ms. BEAN introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow hardship distributions from 401(k) plans to prevent the insolvency of a trade or business of the employee.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Access
5 to Savings Act of 2008”.

1 **SEC. 2. HARDSHIP DISTRIBUTIONS FROM 401(k) PLANS TO**
2 **PREVENT THE INSOLVENCY OF A TRADE OR**
3 **BUSINESS OF THE EMPLOYEE.**

4 (a) IN GENERAL.—Subsection (k) of section 401 of
5 the Internal Revenue Code of 1986 (relating to cash or
6 deferred arrangements) is amended by adding at the end
7 the following new paragraph:

8 “(14) SPECIAL RULE RELATING TO HARDSHIP
9 DISTRIBUTIONS.—For purposes of subclause (IV) of
10 paragraph (2)(B)(i), hardship of the employee shall
11 include the prevention of insolvency of a trade or
12 business of the participant.”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 subsection (a) shall apply to distributions after the date
15 of the enactment of this Act.

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